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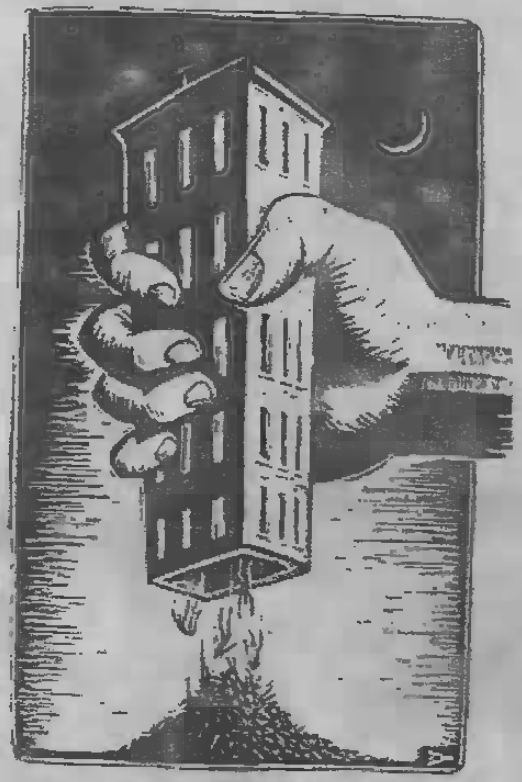
A PRIMER ON GENTRIFICATION IN PORTLAND



By Gray Ayer

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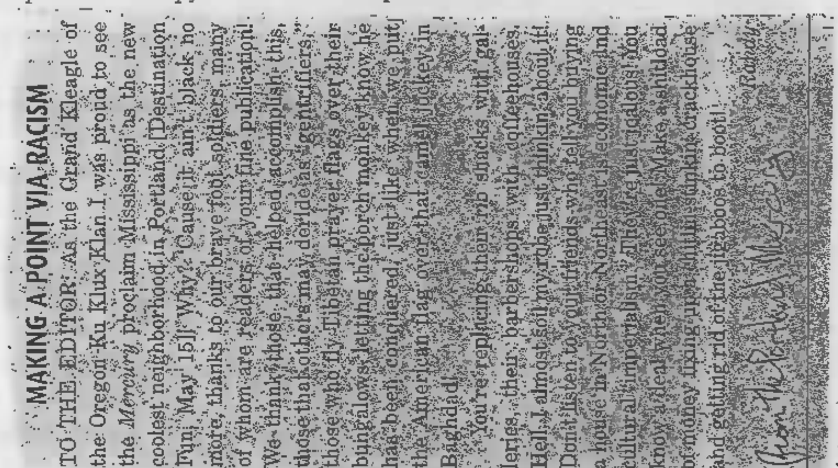
I live in North Portland on the corner of Mississippi and Shaver. This area is experiencing the fastest real estate appreciation of any area in the Portland Metro region. I am also part of a demographic that is highly conscious and concerned with issues of class and race. Because of this, the issue of gentrification and displacement is a frequent subject of conversation that comes up with my peers. It is a passionate issue. Some of my friends won't even hang out with me at my house, let alone patronize events and businesses. Another of my friends co-owns a bike shop where she attempts to mitigate the negative effects of her whiteness by hosting community events and workshops, and by being the only bikeshop in town that offers work trade possibilities.

I wrote this paper mostly to solidify and organize my thoughts on the matter in order for me to appear to be more knowledgeable and be able to spark conversation on more advanced aspects of this issue. Within this paper, I will introduce the issue of gentrification in general and how it relates to the city of Portland. While the exact details of the history of say the mission district, west Philadelphia, or the Lower East Side may be different, the pattern is similar across the country.

Information and data for this paper was gathered from a variety of written sources: graduate student field area papers, census data, publications by the Portland Development Commission (PDC), and newspaper articles. Though sparse, stated opinions are informed by my personal observations, conversations, and intuition.

The block prints here were done by Eric Drooker. Like his artwork this pamphlet is anti-copywrited. Please Reproduce at will.



MAKING A POINT VIA RACISM

TO THE EDITOR: As the Grand Kleagle of the Oregon Ku Klux Klan I was proud to see the *Mercury* proclaim Mississippi as the new coolest neighborhood in Portland [Destination Fun, May 15]. Why? Cause it ain't black no more, thanks to our brave foot soldiers, many of whom are readers of your fine publication! We thank those that helped accomplish this, those that others may deride as "gentrifiers," those who fly Tibetan prayer flags over their bungalows, letting the porch monkey know he has been conquered, just like when we put the American flag over that camel jockey in Baghdad!

You're replacing their rib shacks with galleries, their barbershops with coffeehouses. Hell, I almost soil my robe just thinkin' about it! Don't listen to your friends who tell you buying a house in North or Northeast is economic and cultural imperialism. They're just jealous! You know a deal when you see one! Make a shitload of money fixing up them stinkin' crackhouse and getting rid of the jigaboos to boot!

Randy

from the Portland Mercury

What Is Gentrification

Oftentimes the terms gentrification and displacement are used interchangeably. While it may be rare for gentrification to occur without displacement, this paper will establish how these are words refer to two different but related concepts. For most circles, the term gentrification refers to a "natural" real estate process almost exclusively occurring in deteriorated close-in urban areas that contain significant levels of older buildings. Sometimes this is aided by government assistance such as funding façade improvements, but government is by no means the prime player in this process.

Residential gentrification is characterized by:

1) Changes in the built and economic environment such as
   a. An appreciation rate significantly higher than the regional rate.
   b. Increases in home sales, especially for the purpose of investment.
   c. Increased investment in the form of new construction and renovation of existing stock.
   d. Increases in the amount of owner-occupied dwelling with a corresponding decrease in the amount of rental housing available.
   e. Conversion of industrial buildings into residential and retail use.
2) Significant demographic changes such as
   a. The managerial/professional class making up a larger percentage of the neighborhood composition than those of the previously dominant working class.
   b. Increases in overall population but decreases in household size, with fewer children, and an increase in single person and unmarried households.
   c. Increases in the presence of college educated persons.

Commercial Gentrification is characterized by:

1) Increased investment in the form of renovation of older buildings and in new construction. A good local example of this is the Belmont Dairy. It won a Governor's Livability Award in 1997.
2) Shifts in the commercial environment from industrial to more retail use, especially service-oriented business such as boutique, restaurants, and cafés.
3) Emphasis by the business community for pedestrian traffic rather than vehicular.
4) Businesses shifting further and further away from serving local needs to serving regional demands. A good example of this is Hawthorne Blvd, which has now become a destination spot for consumers from the greater Portland region. Upscale wine bars replaced places such as George's Shoe Repair.
5) Investment in the area by non-local and chain businesses, such as The Gap or Starbucks.
6) One of the main selling points of the area is its reputation for diversity and "hipness."

Stages of Gentrification

The process of gentrification is generally referred to as having three stages, each with subsequent substages.

The first stage is characterized by the presence of "rogue" or "marginal" gentrifiers. These are people who seek out areas where housing is affordable but also contains characteristics such as being close-in to a commercial core, are walkable, and are racially and culturally diverse. Those who purchase property exhibit a high tolerance for risk in their investment and generally upgrade their home using "sweat equity" (Kerstein 1990, Griffith 1995). These are people with higher-income potential and may include students, artists, gays and lesbians, and counter-cultural activists. The presence of these people creates an atmosphere that can be considered "bohemian" or "cutting edge" and sets the stage for how the forces of capital see a spatial area.

The second stage is generally when this perception has reached the "true gentrifiers," the new middle class who has a desire to feel like they are on the cutting edge. (Straight, 2002.) They see the urban arena as exciting and slightly dangerous, and they build a sense of adventure from their living environment (Lydersen, 1999). These new middle class urbanites use the nearby counterculture elements to build their own identity; they live vicariously through proximity to alternative lifestyles. (Straight 2002) These gentrifiers cause property values to increase rapidly through new investment in the form of new sales, renovation, and new development. Professional developers and outside investors become involved when profits are relatively certain.

The third stage may actually represent the completion of the gentrification process. The neighborhood is redefined as a middle-to-upper-income neighborhood with a complementary commercial area to serve this new population. (Halstead 1999)

Portland currently has neighborhoods at all stages. The N Interstate area in general is at the beginnings of stage 1. N. Mississippi is at an advanced stage 1. Alberta has recently reached the second stage. Belmont and Division are in the middle of stage 2. Hawthorne Blvd is at an advanced stage 2. NW 23, Buckman, Alameda, and Irvington are all firmly in stage 3.

We act as advanced scouts of gentrification, preparing the area for eventual full-on takeover. People like me, slumming around on foodstamps, jobless, we just become the smallpox-infected blankets, we carry the disease in to new and exploitable neighborhoods. With no agenda beyond maximizing my own personal personal ennui, I've been transformed, molded inadvertently into one more personal foot-soldier in the march towards gentrification, personal-size Trojan Horse built around my head, thinking that the thrift store clothes make me invisible or invincible.

Al Burien, Burn Collector, 1998

Why Gentrification Occurs

Scanning the literature on gentrification, I found few points of agreement. Some causes proposed are a shift to a service economy, increasing housing demands of the Baby Boomers, an increase in appreciation for urban diversity and historic homes, intentional shifts of capital in search of greater profits, and a general cyclical investment and disinvestment by the social and political elite. The present gentrification in Portland can also be attributed to low interest rates, and a bad economy that make home ownership even more attractive to those with the capital means to do so.

One of the main debates is about who are the true gentrifiers. One side argues that the new middle class gentrifiers are people who would generally live in a central city neighborhood. These people are young, wealthy, highly educated, within the "creative class", are single or have small families. It is argued that this is a group of people who work in the central city and patronize cultural events, restaurants and entertainment and so they wish to live close to these amenities.

The other side of the debate focuses on an increased appreciation for the urban life. This view sees dissatisfaction with the suburbs and suburban architectural forms as the main driving force. There seems to be a universal constant that most people are only willing to spend at most 30 minutes commuting. Increased traffic congestion in the suburbs might be encouraging suburbanites to move closer in to employment.

In the mid 80's studies found that most renovators or new residents of revitalizing neighborhoods moved from another part of the central city (DeGiovanni 1984). I believe that the current waves of gentrification in Portland are due more to the changing economy and the perception that central city Portland has a high degree of livability. The December 2000 issue of Money magazine stated that Portland is the best U.S. big city to live in. Some believe that the Urban Growth Boundary has artificially decreased the available housing stock, and so the market has logically turned to renovation of derelict buildings.

For some time now the Portland Metropolitan area has been attracting high tech businesses and of course, the young affluent techies that come along with it. With higher than average incomes, this population is making a serious impact on housing affordability, as they are able to define the market. These factors increase substantially the amount of "primary gentrifiers" that are present in the Portland Metro Area and have contributed to the sad fact that in 1999, Portland to have the highest housing costs (cost of housing relative to income) in the country, only second to San Francisco. (Lydersen, 1999)

Portland continues to attract the rogue gentrifiers as well. Portland has become the new West Coast Mecca for counterculture types when making a new locational decision. (Straight 2002)

The city [is experiencing]...an exploding art scene that encompasses music, film, dance and writing. Even with the bleak state of the economy, people are still flocking to Portland to take advantage of its relatively low rents and its tolerant, if not supportive, atmosphere...the very bedrock of a creative class. (Silvis 2003)

Clearly then, in at least Portland's case, gentrification is fueled in part by more than just general movement from current residents of the central city. A low housing appreciation rate and stagnating rental rates in inner ring suburban neighborhoods, such as those east of 82nd, indicate a value shift in the overall regional real estate market.

Benefits and Disadvantages of Gentrification

Clearly, in all areas of the capitalist economy, there are winners and losers. Those that benefit at the expense of others are able to promote their wealth creation schemes as being overall beneficial for society. These benefits are real, though only seen as "worth it" when a certain value-system is applied. The most common benefits are:

1. An increased and stabilized tax base to support municipal services
2. Increased area income to support existing commercial area.
3. Increased home equity creates substantial wealth for long time homeowners. Low-income homeowners now have the opportunity to make neglected renovations or to sell out and take their wealth to a more desirable neighborhood.
4. Vacant lots and brownsites, generally deemed as hazards, are redeveloped for active use.
5. Streets are generally safer and cleaner, in part because of the increase in population.

Often the gentrifiers stand by this last point, as justification for what they know is a disrupting effect on the community. Areas like Alberta and Mississippi have gone through incredible changes in safety, drive-by shootings on MLK are now mostly just a bad memory. City Commissioner Charlie Hales was recently quoted as saying that the city is "changing the character of Alberta Street from crack deals to locally owned restaurants. That's not a bad deal." (Dawdy 2000) The disappearance of frequent violent crime is indeed a good thing for those that are able to remain in the neighborhood. But gentrification does nothing to address the root economic and political causes of crime: poverty. Poverty may decrease in gentrified areas but it does not decrease within the region. Rates of poverty are increasing in outer East Portland and Gresham. Between 1990 and 1996, the number of census tracts east of 82nd Ave with poverty rates about 10% increased from 21 to 33 (Halstead 99)

Displacement

Displacement mainly occurs for 3 reasons.

1. An increase in property values causes landlords to sell rental property, thus displacing renters.
2. Landlords evict or fail to renew tenant leases so that they can renovate the home (or not) and rent the home out at higher rates to those willing and able to pay more.
3. Rising home prices increases the tax value of homes. Low or fixed income homeowners cannot afford the increased taxes and are thus forced to sell their home. In Oregon this is not the case due to Measure 50, which limits property tax increases to 3% per year unless the home undergoes major renovation or changes ownership.

In Portland, like most cities, it is renters who are most adversely affected. It is commonly accepted that 20% of all households move each year. This rate is typically higher among low-income minority populations, as well as renters (Wilson 1992). So, minorities may move out of a neighborhood with a normal turnover rate, but instead those that move in are upper-income white households instead of other minorities and low-income people. Gentrifying areas also exhibit an increase in enforcement of code violations. Low-income homeowners may be forced to sell if they lack the means to fix them.

Involuntary displacement from central city neighborhoods is especially hard for those with chronic low-income (non-rogue gentrifiers). Many people displaced are long-term residents who have strong connections to the neighborhood even though they haven't been able to purchase homes. Low-income folks need tight-knit communities for mutual support networks for childcare. They also need public transit that is often not available in the far out areas to which they are displaced.

Commercial districts, which flourish under the identity of "diversity", may loose their attractiveness as the surrounding area "bleaches." This is a concern for many businesses on Alberta. (Dawdy 2000)

Gentrification also adversely affects social service agencies and their clients. In the Buckman neighborhood of SE Portland, new residents led the fight against a residential home for gang-affected youth, a methadone clinic for drug addicts and the siting of the Clark Center, a shelter for homeless men. Complaints about transients by new residents in the Sunnyside Neighborhood forced a closure of an established soup kitchen operated by the Sunnyside Methodist Church (Kenning 1998) Similar recent issues have caused St. Francis to close it's park which is frequented by the homeless and to cut back on their meal programs.

Gentrification and Race in Portland

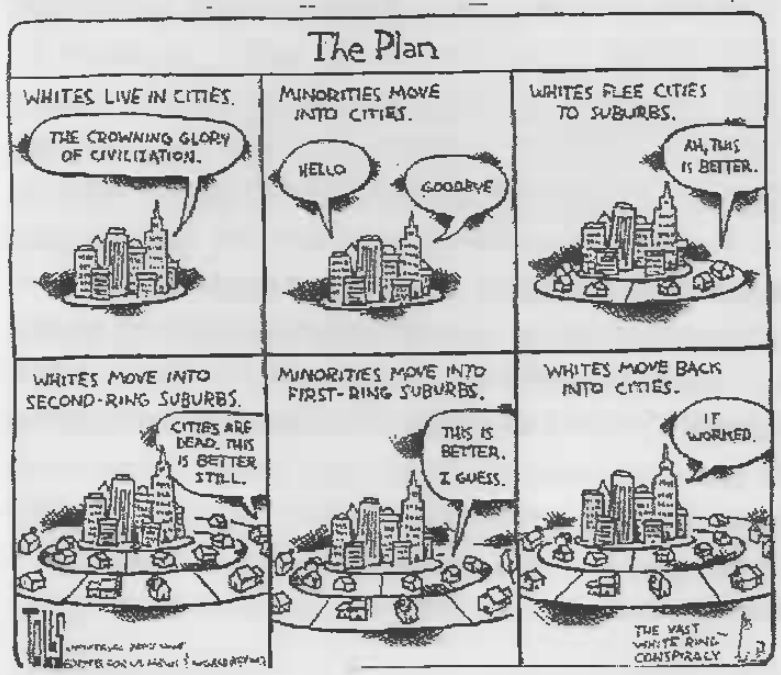
As most know who visit Alberta Street and see "whitie" spray painted underneath stop signs (Busse 2001), there is a definite racial aspect to the displacement that occurs with gentrification. 80% of African-Americans in Portland live in the North and Northeast, with highest concentrations in the Boise, Eliot, and Humboldt neighborhoods, areas that are coincidently exhibiting the highest rates of gentrification in the city (Pearce 2000)[1]. This racial concentration can be attributed to the common clustering pattern found among racial and cultural minorities, but I believe institutional racism plays a larger part.

Until the Fair housing act of 1964, most African Americans were prevented from owning or renting property east of North William Avenue. Real estate agents and bank loan officers mostly enforced this, though homeowner covenants also played a role.

The practice of redlining created by the Federal Government, in which it became virtually impossible to purchase property or refinance for renovation of older housing stock in certain "at risk" neighborhoods effectively prevented African Americans from becoming homeowners and benefiting from the wealth creation of homeownership. It also ensured that properties would deteriorate to the point that absentee landlords would simply abandon property, which later became further evidence of "decline."

Movement:

Census data confirms much of the anecdotal information about displacement being a racial issue. In 1991, the neighborhoods of Boise, Eliot, Humboldt, King, the Lloyd District, Sabin, Sullivan's Gulch and Vernon, which are considered the heart of N/NE Portland, had a population of 27,500 of which 13,192, or 48 percent, were African Americans. In 2001, these areas, even with an overall increasing population, lost a total of 2,575 African American residents bringing the total to 34% of the population. The 1996 American Community Survey showed that the 12 areas with significant decrease of African American's (more than 5% loss) were also the areas where median home values appreciated by 125%-200%, much higher than the countywide appreciation of 102%. The N/NE black population decrease corresponds with subsequent increases in the black population along the northern stretch of I-205 – the neighborhoods of Parkrose, Argay, Roseway and Madison (Lydgate 2001) and in outer SE and Gresham.



Fighting Gentrification and Displacement

Scared of being evicted, and angry at the seemingly overt racial injustice, there has been increasingly visual signs of a community fighting back in the form of vandalism and property damage. Several years ago black youth injured or killed dozens of old trees in the Boise neighborhood, knowing that this was a characteristic that white people found attractive. In June of 2002, someone poured liquid metal into the locks of stores up and down Alberta (Dye 2002). On August 31, 2000, 6 hours after a Last Thursday ended on Alberta, (nicknamed White Night by many residents) the Brothers Free Motorcycle Club burned down due to arson. Some believe the action was done to prevent it from being sold to developers. On April 1st of 2000, an unidentified artist posted "coming soon" signs for The Gap and Starbucks onto several buildings of NE Alberta St. (Dawdy 2000)

The intensity of direct action may soon accelerate to the level of The Mission District of San Francisco where smashed windows and spray painting of luxury automobiles are one community's reaction to the take-over by dot-commers. In my opinion, albeit without evidence, many of these actions are committed by the counter-culture who only years before adopted these areas as their own, unaware (or nieve) of their roles as foot soldiers.

There have been other sanctioned, though some would say ineffective, efforts within Portland to stop minimize the negative consequences of gentrification. The NAACP has formed a "gentrification task force" as has a group calling itself "The Feminist Conspiracy." The Portland Community Land Trust was set up to create permanent affordable homeownership opportunities, as opposed to the affordable rental model that dominates the city.[2] In an effort to try blunt the impact of the new Interstate MAX, the city is spending $1.5 million on an anti-displacement pilot project that includes helping low-income and minority residents by their homes, building more affordable rental units, helping residents avoid eviction and foreclosure, and building community organizing power among residents.

[1] It is still debatable what the biggest factor is in these neighborhoods since besides containing the highest percentage of African-Americans, they also contain very high percentages of renters.

All these efforts are merely band-aids that do not come close to addressing the larger issues of economic inequality and nor a speculative real-estate market that thrives off the consumerist model of constantly changing tastes. The PDC believes that there

> "Must be adequate strategies and resources directed at increasing the incomes of existing residents by providing stable employment and education opportunities for existing residents so they can better compete in the private market and have choices to remain in their community" (PDC 2002)

This is a nice attempt to address the larger issues, but I believe it is the private market that creates, encourages, and thrives off of these inequalities, and so without questioning the basic underlying capitalist ideology, low-income and minority communities will continue to be disrupted.

Conclusion

I believe that Portland will continue to experience cycles of investment and dis-investment just like it has over its entire history. They say that change is the only constant, and neighborhood composition and character is no exception. I often point out to people around the Mississippi area that this was once a European immigrant neighborhood, then a higher income neighborhood, before declining. Even the 3rd stage areas of Alameda and Irvington will change. These areas have become popular because they were designed well, primarily for human benefit rather than profit as most suburban areas have been.

Low-income people deserve to live in neighborhoods that are walkable and close to amenities, just as those of higher incomes do. Displacement will only cease to be an issue when we seriously begin to revitalize and redesign ALL communities, including the suburban and inner-ring neighborhoods that people are moving away from.

The major question I will explore at another time, for my own personal reasons, is whether it is truly possible to create, maintain, and stabilize racially, culturally, and class diverse (well, screw the rich actually, I don't want to live near them) neighborhoods. Finally I will explore whether it is possible to freeze stages of gentrification so that, as a "rogue" gentrifier, my impact and residency in a non middle class white neighborhood can be more positive than negative. I would also like to explore the role government has played in the revitalization of areas like Hawthorne which initially received an infusion of public funding for storefront renovations.

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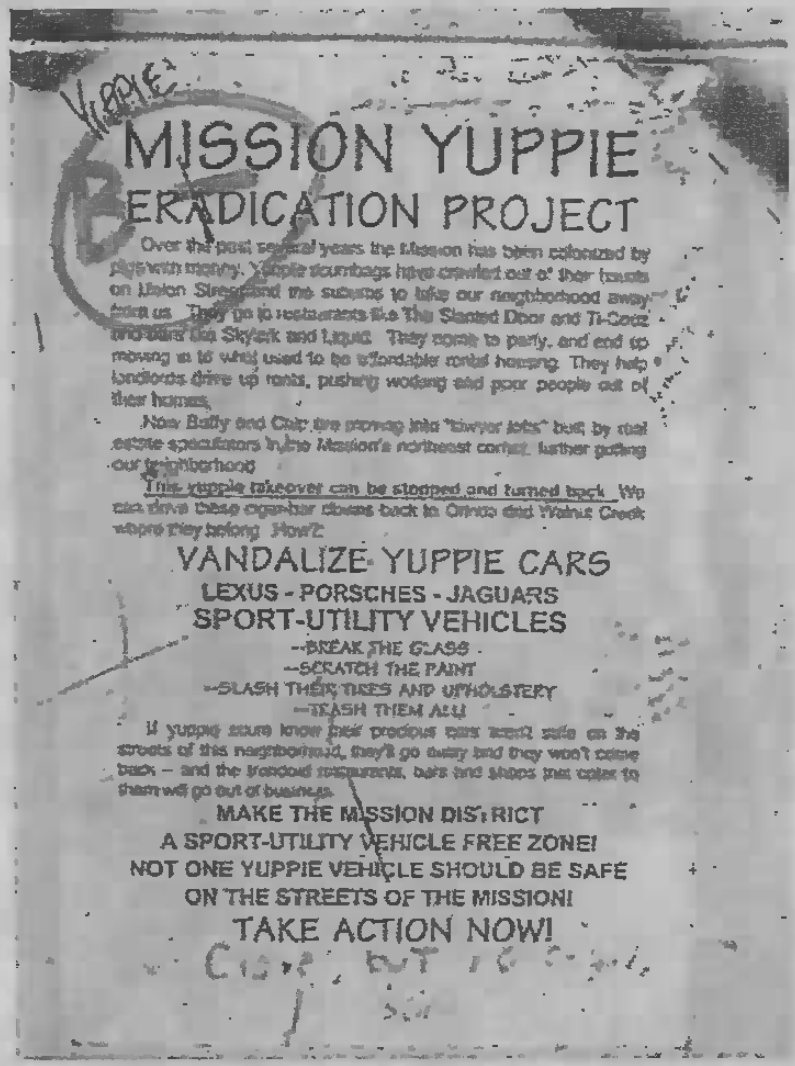

YUPPIE?

MISSION YUPPIE ERADICATION PROJECT

Over the past several years the Mission has been colonized by yups with money. Yuppie scumbags have crawled out of their lairs on Union Street and the suburbs to take our neighborhood away from us. They go to restaurants like The Slanted Door and Ti-Couz and bars like Skylark and Liquid. They come to party, and end up moving in to what used to be affordable rental housing. They help landlords drive up rents, pushing working and poor people out of their homes.

Now Bally and Club are moving into "lower lofts" built by real estate speculators in the Mission's northeast corner, further gutting our neighborhood.

This yuppie takeover can be stopped and turned back. We can drive these cancer cells back to Orinda and Walnut Creek where they belong. How?:

VANDALIZE YUPPIE CARS

LEXUS - PORSCHES - JAGUARS
SPORT-UTILITY VEHICLES

--BREAK THE GLASS
--SCRATCH THE PAINT
--SLASH THEIR TIRES AND UPHOLSTERY
--TRASH THEM ALL!

If yuppie scum know their precious cars aren't safe on the streets of this neighborhood, they'll go away and they won't come back -- and the trendoid restaurants, bars and shops that cater to them will go out of business.

MAKE THE MISSION DISTRICT
A SPORT-UTILITY VEHICLE FREE ZONE!
NOT ONE YUPPIE VEHICLE SHOULD BE SAFE
ON THE STREETS OF THE MISSION!

TAKE ACTION NOW!

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